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June 12, 2013

VIA ELECTRONIC FILING

Mrs. Jocelyn G. Boyd
Chief Clerk / Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29201

**RE: Application Regarding the Acquisition of Progress Energy, Incorporated by
Duke Energy Corporation and Merger of Progress Energy Carolinas,
Incorporated and Duke Energy Carolinas, LLC
Docket No. 2011-158-E**

Dear Mrs. Boyd:

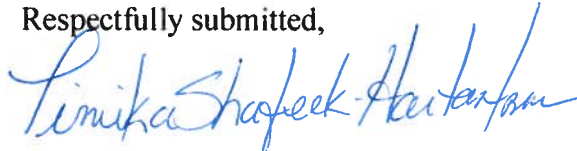
Pursuant to the Joint Dispatch Agreement ("JDA") as approved by the Public Service Commission of South Carolina (the "Commission") in Order No. 2012-517, the Commission adopted the conditions as set forth by the North Carolina Utilities Commission in Docket Nos. E-7, Sub 986 and E-2, Sub 998, in Order approving Merger, filed on June 29, 2012. Regulatory Condition 5.7, as set forth in the Order, requires the filing of Annual Reports of Affiliated Transactions for Duke Energy Carolinas, LLC ("Duke Energy Carolinas") and Duke Energy Progress, Inc. ("Duke Energy Progress") ("Reports"). The Reports do not include information related to joint dispatch activities between Duke Energy Carolinas and Duke Energy Progress.

As discussed in more detail in the Reports, Duke Energy Carolinas and Duke Energy Progress are working towards resolving underlying differences in their financial systems' processes and procedures, as well as establishing a consistent reporting format for future filings.

Mrs. Jocelyn G. Boyd
June 12, 2013
Page 2

If there are questions about the Reports, please let me know.

Respectfully submitted,



Timika Shafeek-Horton

Enclosures

cc: Shannon Hudson, ORS
Courtney Edwards, ORS
Parties of Record